



# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

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September 30, 1991

Mr. Z. Lance Samay, esq.  
C/O - Mr. Jay Jester, Holland & Hart  
555 17th Street, Suite 2900  
Denver, Colorado 80202

Mr. Richard A. Westfall, esq.  
Davis, Graham & Stubbs  
370 Seventeenth Street, Suite 4700  
P.O. Box 185  
Denver, Colorado 80201-0185

Dear Mr. Samay and Mr. Westfall:

Re: Formal Response to Unanswered Questions, Deposition of D. Wayne Hedberg, Taken September 24, 1991, Western States Minerals Corp. vs Asoma (Utah), Inc., et al., Drum Mine, M/027/007, Millard County, Utah

This letter is prepared in response to several questions raised by Mr. Samay during the deposition of Mr. D. Wayne Hedberg, Division of Oil, Gas & Mining, on September 24, 1991. Mr. Hedberg agreed to research Division correspondence and personal records to provide answers to these questions. The questions are reiterated below. Answers follow each question.

1. **When did the Division of Oil, Gas & Mining (DOGM) first become aware of the unpermitted heaps at the Drum Mine?**

*On March 8, 1989, Wayne Hedberg spoke with Mr. Ed King of Jumbo Mining Company (JMC), and subsequently with Mr. Charlie Dietz of the Bureau of Water Quality. Both individuals acknowledged to Mr. Hedberg that there were unpermitted heaps constructed by Western States Minerals Corporation (WSMC) at the Drum Mine site (see attached copy of phone log).*

2. **When did Mr. King first communicate to DOGM that JMC was not responsible for WSMC's reclamation liability and topsoil deficiency?**

*The first Division record found confirming JMC's position is a letter from Mr. Ed King dated April 27, 1989. This letter was provided in response to the Division's April 4, 1989 technical review of JMC's Drum Mountain Project Notice of Intention.*

3. **When did WSMC first communicate to the Division that JMC should be held responsible for the topsoil deficiencies and reclamation of the Drum Mine?**

*By letter dated June 27, 1989, WSMC informed the Division that there was a disagreement between the parties regarding reclamation responsibilities. A second letter dated February 2, 1990 from WSMC also references this dispute. A telephone conversation with Mr. Allan Cerny on May 18, 1989 also acknowledges the reclamation responsibility disagreement between WSMC and JMC (see attached copy of phone log).*

4. **When did Mr. Allan Cerny of WSMC first communicate to the Division that WSMC had discovered an error in the "contract" language?**

*On May 18, 1989, Mr. Cerny indicated through a telephone conversation with Wayne Hedberg that there was an "error" in the contract between the parties (refer to attached copy of phone log).*

5. **When was WSMC first notified of the topsoil deficiency by the Division?**

*On February 9, 1989, Wayne Hedberg discussed the topsoil deficiency concern with Mr. Allan Cerny of WSMC (refer to attached copy of phone log). By Division letter dated April 7, 1989 and attachment dated April 10, 1989, WSMC was formally notified of topsoil deficiency.*

6. **When did JMC first submit maps of the disturbed areas to the Division?**

*On February 3, 1989, the Division received a modified version of a disturbed area map from JMC, which was originally compiled by the Division on December 5, 1988. This map covered the existing Drum Mine surface disturbances, not the new Alto/Ibex properties. On March 2, 1989, JMC prepared and submitted an updated disturbed area map of the Drum Mine which was to represent a more accurate description of existing disturbances. This map did not include the Alto/Ibex properties.*

7. **When did the Division first receive a copy of the map entitled "Appendix A" following its original compilation date of December 5, 1988 (attachment to Exhibit D-25)?**

Uncertain what is intended by this question? Does Mr. Samay want a date when DOGM first received a copy of this map as revised by JMC to include the separation of reclamation responsibilities? DOGM generated this map, not JMC. All subsequent revisions were made by DOGM as directed or required. The last revision was made by DOGM on July 26, 1989.

8. **When did the Division determine that the parties had respective/separate reclamation obligations and what were/are they?**

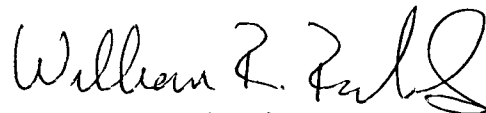
*On or about April 7-10, 1989, the Division formally acknowledged separate reclamation responsibilities for JMC and WSMC (refer to DOGM April 7, 1989 letter to Mr. Allan Cerny, WSMC). Other Division letters and permitting documents identifying the separate responsibilities include: March 31, and April 4, 1989 letters to JMC, May 25, 1989 letter to JMC, and the final Board Package (amount and form of surety) dated July 26, 1989.*

I have also attached to this letter, a copy of the January 25, 1989 letter from JMC to the Division (pages 1-5 inclusive) which was requested during the deposition by Mr. Westfall.

I also want to point out that Mr. Hedberg **was not** sworn in at his deposition. Mr. Hedberg has assured me that he answered all questions truthfully and to the best of his ability. If necessary, he would be willingly to sign an affidavit to this effect.

Please contact me, if we can provide further assistance or clarification in this regard.

Sincerely,



William R. Richards  
Assistant Attorney General